PENACHIO MALARA LLP
Counsel for the Debtors
235 Main Street
White Plains, New York 10601
(914) 946-2889

Anne Penachio, Esq.

HEARING DATE & TIME:
SEPTEMBER 2, 2015 at 10:00 AM

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: Chapter 11

AHMAD SALEHZADEH, Case No.: 14-22666 (RDD)

Debtor.

--------------------------------------- X

In re: Chapter 11

SALEZADEH 620 NORTH BROADWAY CORP., Case No.: 14-22453 (RDD)

Debtor.

--------------------------------------- X

In re: Chapter 11

SALEZADEH SAW MILL CORP., Case No.: 14-22427 (RDD)

Debtor.

--------------------------------------- X

In re: Chapter 11

SALEZADEH, INC., Case No.: 14-22463 (RDD)

Debtor.

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In re:

NEEL, NADIA, HAMID, HABIB ASSOCIATES, INC., Chapter 11

Case No..: 14-22407 (RDD)

Debtor.

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In re:

NEEL, NADIA, HAMID GROUP, INC., Chapter 11

Case No.: 14-22454 (RDD)

Debtor.

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NOTICE OF HEARING FOR APPROVAL OF THE DEBTORS' JOINT DISCLOSURE STATEMENT, ENTRY OF AN ORDER FIXING A DATE FOR CONFIRMATION OF THEIR CHAPTER 11 PLAN AND SUCH OTHER AND FURTHER RELIEF AS MAY BE APPROPRIATE

PLEASE TAKE NOTICE, that the hearing on the approval of the Disclosure Statement of the above-referenced debtors (the "Debtors") will be held before the Honorable Robert D. Drain, United States Bankruptcy Judge, in his Courtroom at the Charles L. Brieant, Jr. Federal Building and Courthouse, 300 Quarropas Street, White Plains, New York 10601 at 10:00 AM on September 2, 2015.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Disclosure Statement must comply with applicable law and be served upon and received by the undersigned, with a copy to the Bankruptcy Judge and the Office of the United States Trustee (201 Varick Street, Room 1006, New York, New York 10014).

PLEASE TAKE FURTHER NOTICE that a copy of the Disclosure Statement and all exhibits is available from the undersigned and will be provided on request or from the Bankruptcy Court website, www.nysb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that the Debtors will also seek entry of an order fixing a hearing on confirmation of the Debtors' Chapter 11 Plan.

PLEASE TAKE FURTHER NOTICE that, unless objections are interposed, the relief sought in the application may be granted and the Disclosure Statement may be approved.

Dated: White Plains, New York
August 11, 2015

PENACHIO MALARA, LLP
/s/ Anne Penachio
Anne Penachio
235 Main Street, Suite 610
White Plains, NY 10601
(914) 946-2889

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Counsel for the Debtors
235 Main Street, Suite 610
White Plains, NY 10601

Anne Penachio, Esq.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	Chapter 11
AHMAD SALEHZADEH,	Case No.: 14-22666 (RDD)
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Case No..: 14-22407 (RDD)

Debtor.

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In re:

NEEL, NADIA, HAMID GROUP, INC., Chapter 11

Case No.: 14-22454 (RDD)

Debtor.

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DISCLOSURE STATEMENT
FOR JOINT CHAPTER 11 PLAN OF REORGANIZATION
PROPOSED BY THE DEBTORS

PURPOSE OF THIS DISCLOSURE STATEMENT

AHMAD SALEHZADEH, the individual debtor herein (the "Individual Debtor"), and **SALEHZADEH 620 NORTH BROADWAY CORP.** (the "North Broadway Subway"), **SALEZADEH SAW MILL CORP.** (the "Elmsford 9A Subway"), **SALEZADEH, INC.** (the "Croton Subway"), **NEEL, NADIA, HAMID, HABIB ASSOCIATES, INC.** (the "Hartsdale Subway"), and **NEEL, NADIA, HAMID GROUP, INC.** (the "White Plains Subway") (collectively referred to as the "Corporate Debtors") provide this joint Disclosure Statement (the "Disclosure Statement"), pursuant to § 1125(b) of title 11 of the United States Code (the "Bankruptcy Code"), to all of their known creditors and other parties in interest for the purpose of soliciting acceptances of their proposed Chapter 11 Joint Plan of Reorganization dated August 11, 2015 (the "Plan"). The Plan has been filed with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") and a copy of it is attached hereto as Exhibit A. By Order dated September ___, 2015, this Disclosure Statement was approved by the Bankruptcy Court as containing "adequate information" of a kind, and in sufficient detail, to enable a hypothetical reasonable investor typical of the creditors of the Individual Debtor and the Corporate Debtors to make an informed decision whether to accept or reject the Plan. The Individual Debtor and the Corporate Debtors strongly urge that you read this Disclosure Statement because it contains a summary of the Plan provisions and important information concerning the financial affairs of the Individual Debtor and the Corporate Debtors, the administration of their bankruptcy Estates and the anticipated recovery by creditors of the Individual Debtor and Corporate Debtors.

The primary objective of the Plan is to provide a mechanism for the resolution of the outstanding creditor Claims against the Individual Debtor and the Corporate Debtors and for distributing their property to satisfy those Claims. The terms of the Plan have been developed in the context of providing what the Individual Debtor and the Corporate Debtors believe will be the greatest return to the creditors.

The Individual Debtor and the Corporate Debtors submit this Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code to all known holders of a Claim against any or all of them who are entitled to vote to accept or reject the Plan. The purpose of this Disclosure Statement is to provide Claimants with adequate information that would enable a reasonable person to make an informed judgment in voting on the Plan.

Capitalized terms have the meaning ascribed to them in the Plan unless otherwise defined herein.

Detailed voting instructions are provided with the Ballot accompanying this Disclosure Statement. As more fully described herein, the Allowed Secured Claims in Classes 1-4 are not entitled to vote on the Plan because they are unimpaired under the Plan. The Allowed Priority Tax Claims in Class 5 and the Allowed General Unsecured Claims in Class 6 are entitled to vote to accept or reject the Plan. Briefly, to vote on the Plan, a voting holder of a Claim must complete and sign the Ballot and mail it so that it is received no later than the Voting Deadline, which is 5:00 p.m. (Prevailing Eastern Time) on November ___, 2015, at the offices of Penachio Malara, LLP, 235 Main Street, Suite 610, White Plains, NY 10601. Votes may not be transmitted orally. If a Ballot is damaged or lost, you may contact Penachio Malara, LLP at (914) 946-2889 or apenachio@pmlawllp.com to receive another.

Any Ballot that is executed and returned but which does not indicate an acceptance or rejection of the Plan will not be counted. Accordingly, the Individual Debtor and the Corporate Debtors urge all voting holders of Allowed Priority Tax Claims and Allowed General Unsecured Claims to promptly return their signed and completed Ballots.

A hearing to consider the request for Confirmation of the Plan will be held at the United

States Bankruptcy Court for the Southern District of New York, before the Honorable Robert D. Drain, The Charles L. Brieant Jr. Federal Building and Courthouse, 300 Quarropas Street, White Plains, NY 10601 November ___, 2015 at 10:00 AM

II. DISCLAIMER

NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NOASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THAT DATE. ALL CREDITORS SHOULD READ CAREFULLY AND CONSIDER FULLY THIS DISCLOSURE STATEMENT BEFORE VOTING FOR OR AGAINST THE PLAN. TO THE EXTENT OF ANY INCONSISTENCY BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN SHALL CONTROL. TERMS USED IN THIS DISCLOSURE STATEMENT BUT THAT ARE NOT OTHERWISE DEFINED HEREINHAVE THE MEANING ASCRIBED TO THEM TN THE PLAN AND, IF NOT DEFINED IN THEPLAN, THEN IN THE BANKRUPTCY CODE.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS THE EQUIVALENT OF A STATEMENT MADE IN FURTHERANCE OF SETTLEMENT NEGOTIATIONS.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLAN, EVENTS IN THE DEBTORS' CHAPTER 11 CASES, AND FINANCIAL INFORMATION. ALTHOUGH THE INDIVIDUAL DEBTOR AND THE CORPORATE DEBTORS BELIEVE THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED, FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED FROM THE BOOKS AND RECORDS OF THE INDIVIDUAL DEBTOR AND THE CORPORATE DEBTORS AND PUBLIC PLEADINGS. ALTHOUGH DILIGENT EFFORTS HAVE BEEN MADE TO PRESENT ACCURATE AND COMPLETE INFORMATION, THE INDIVIDUAL DEBTOR AND THE CORPORATE DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION IS WITHOUT SOME INACCURACY OR OMISSION.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMPNE HOW TO

VOTE ON THE PLAN.

THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE INDIVIDUAL DEBTOR, THE CORPROATE DEBTORS, OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST THE INDIVIDUAL DEBTOR OR THE CORPORATE DEBTORS. ANY VALUE GIVEN AS TO ASSETS OF THE INDIVIDUAL DEBTOR OR THE CORPORATE DEBTORS IS BASED UPON AN ESTIMATION OF SUCH VALUE. YOU ARE URGED TO CONSULT YOUR OWN COUNSEL AND FINANCIAL AND TAX ADVISORS IF YOU HAVE ANY QUESTIONS OR CONCERNS REGARDING TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS.

THE DISCLOSURE STATEMENT ORDER, A COPY OF WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT, SPECIFIES THE DEADLINES, PROCEDURES, AND INSTRUCTIONS FOR VOTING TO ACCEPT OR REJECT THE PLAN AND FOR FILING OBJECTIONS TO CONFIRMATION OF THE PLAN. A FORM BALLOT FOR VOTING ON THE ACCEPTANCE OR REJECTION OF THE PLAN IS ALSO PROVIDED HEREWITH. EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN SHOULD READ THE DISCLOSURE STATEMENT, THE PLAN AND THE DISCLOSURE STATEMENT ORDER IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

III. BACKGROUND CONCERNING THE DEBTORS, THE BANKRUPTCY FILINGS AND THE ADMINISTRATION OF THE DEBTORS' ESTATE

A. Background Concerning the Individual Debtor and the Corporate Debtors and their Bankruptcy Filings

The Individual Debtor is approximately 45 years old. He was born in Afghanistan and immigrated to the United States as a child to escape persecution during the Russian occupation of that country. Since his childhood, the Individual Debtor's career ambition was to become a successful business owner. In furtherance of that goal, the Individual Debtor became a franchisee of Subway restaurants. During the last 20 years, the Individual Debtor built a small empire of Subways. The Individual Debtor is the sole owner of the each of the Corporate Debtors. For many years the Corporate Debtors prospered. The income from the Corporate Debtors provided a comfortable income for the Individual Debtor and his family.

The Corporate Debtors began to experience financial reverses in 2007 due to a combination of adverse circumstances including (i) the downturn in the economy, (ii) a large tax assessment emanating from an audit, (iii) a decrease in revenue and (iv) an increase in expenses including utilities, insurance, and taxes. The financial setbacks suffered by the Corporate Debtors caused the Individual Debtor to experience financial difficulties.

On May 14, 2014, the Individual Debtor filed for Chapter 11 relief in an effort to deal with consumer debt and mortgage arrears. By the time that the Individual Debtor sought Bankruptcy relief, each of the Corporate Debtors had already sought bankruptcy protection. The North Broadway Subway filed on April 8, 2014. The 9A Elmsford Subway filed on April 3, 2014. The Croton Subway filed on April 8, 2014. The White Plains Subway filed on April 8, 2014. The Hartsdale Subway filed on April 1, 2014.

The Disclosure Statement and Plan are jointly submitted by the Individual Debtor and the Corporate Debtors because the ownership interests in each Corporate Debtor is the property of the Individual Debtor. Moreover, their creditors are substantially similar. Indeed, there is an "overlap" of liabilities in that the Individual Debtor, as a responsible officer of the Corporate Debtors, is responsible for a significant portion of the tax liabilities.

Financial information concerning the Individual Debtor and each of the Corporate Debtors is set forth herein.

The Individual Debtor

The Individual Debtor's assets consists of his interests in the Corporate Debtors and various real estate holdings. The Debtor owns his home at 31 Hettiefred Road, Greenwich, Connecticut (the "Home"). The Debtor resides in the Home with his extended family. The Home has been valued at $2,475,000.00. A copy of an appraisal submitted in connection with this case is annexed hereto as Exhibit B. The Individual Debtor believes that the value has not changed since the appraisal as the real estate market for higher end homes in Connecticut has not materially changed. The Individual Debtor's goal is to retain his Home and liquidate most of his other property to satisfy his creditors.

Nationstar Mortgage, LLC ("Nationstar"), as successor to Bank of America ("BOA"), holds the mortgage on the Home with a principal balance of approximately $972,171.08. During this Chapter 11 case, the Individual Debtor did not seek Loss Mitigation from BOA. He recently received correspondence from Nationstar inviting him to apply for a modification. The Individual Debtor intends to submit an application for a modification. Under the Plan, the Individual Debtor will satisfy Nationstar directly either in accordance with his contractual obligations or pursuant to a modification. Nationstar will retain its lien on the Home.

The Investment Properties

The Individual Debtor owns six (6) apartments (collectively, the "Apartments") located in White Plains, New York. Under the Plan, each of the Apartments will be liquidated with the assistance of a real estate broker approved by the Court. The proceeds of the sales will be used first to satisfy any Secured Claims encumbering the properties and closing costs. The balance after the aforementioned payments will be distributed to the holders of Allowed Claims pursuant to the priority scheme set forth in 11 U.S.C. § 507.

The Debtor has not obtained formal appraisals of the Apartments. He is generally aware of the values as he has monitored sales of units in the buildings where each of the Apartments. As explained below, the Debtor believes that the net sale proceeds after closing costs, mortgages and other expenses are paid, will total at least $1,140,000.00 which will be held and distributed to the Class 1 creditor pursuant to the Plan.

10 Franklin Avenue, White Plains, NY - Apt. 3K ("Apt. 3K")

Apt. 3K is a 2 bedroom, 2 bathroom cooperative apartment in the building at 10 Franklin

Avenue, White Plains, NY (the "Franklin Building"). The Individual Debtor owns two other apartments in the Franklin Building which are described below. Westbrook Tenants Corp. ("Westbrook") manages the Franklin Building. The Individual Debtor owes Westbrook $13,238.03 which is a lien on the three apartments that the Debtor owns in the Franklin Building. The Individual Debtor will satisfy Westbrook in full upon the sale of the first apartment in the Franklin Building.

The Individual Debtor estimates the value of Apt. 3K to be $235,000.00. There is no mortgage encumbering Apt. 3K. In the event that Apt. 3K is the first apartment in the Franklin Building to be sold, Westbrook will be satisfied from the sale proceeds,. The Individual Debtor estimates that the net proceeds from the sale of Apt. 3K, after any broker's commission, closing costs and payment to Westbrook, will total at least $200,000.00.

10 Franklin Avenue, White Plains, NY - Apt. 2F ("Apt. 2F")

Apt. 2F is a 2 bedroom, 2 bathroom cooperative apartment. The Individual Debtor estimates the value to be $235,000.00. There is no mortgage encumbering Apt. 2F. Westbrook holds a lien in the amount of $13,238.03 which will be satisfied from the proceeds of the sale in the event that Apt. 2F is the first apartment in the Franklin Building to be sold.

The Individual Debtor estimates that the net proceeds from the sale of Apt. 2F, after closing costs, will total at least $220,000.00.

10 Franklin Avenue, White Plains, NY - Apt. 2P ("Apt. 2P")

Apt. 2P is a 2 bedroom, 1 bathroom cooperative apartment. The Individual Debtor estimates the value to be $235,000.00. Wells Fargo Bank, NA ('Wells Fargo") holds a mortgage encumbering Apt. 2P with a balance due of approximately $105,000.00. Westbrook holds a lien in the amount of $13,238.03 which will be satisfied from the proceeds of the sale in the event that Apt. 2P is the first apartment in the Franklin Building to be sold.

The Individual Debtor estimates that the net proceeds from the sale of Apt. 2P, after closing costs and payment to Wells Fargo will total at least $120,000.00.

312 Main Street, White Plains, NY - Apt. 3C ("Apt. 3C")

Apt. 3C is a 2 bedroom, 1 bathroom condominium apartment. The Individual Debtor estimates the value to be $225,000.00. No mortgage or liens encumber Apt. 3C.

The Individual Debtor estimates that the net proceeds from the sale of Apt. 2C, after closing costs will total at least $225,000.00.

312 Main Street, White Plains, NY - Apt. 5C ("Apt. 5C")

Apt. 5C is a 2 bedroom, 1 bathroom condominium apartment. The Individual Debtor estimates the value to be $225,000.00. JP Morgan Chase ("Chase") holds a mortgage on Apt. 5C with a principal balance due of approximately $120,000.00.

The Individual Debtor estimates that the net proceeds from the sale of Apt. 5C, after closing costs and satisfaction of Chase will total at least $100,000.00.

10 North Broadway, White Plains, NY - Apt. 4G ("Apt 4G")

Apt. 4G is a studio. The Individual Debtor estimates the value to be $65,000.00. There is no mortgage. The Individual Debtor estimates the net proceeds of the sale of Apt. 4G to be at least $50,000.00.

The Individual Debtor's Other Assets

The Individual Debtor is the owner of seven (7) Subway restaurants which consist of the six (6) Corporate Debtors and a non-Debtor restaurant on Main Street in Elmsford, New York (the "Elmsford Main Street Subway"). Pursuant to the Plan, the Individual Debtor and the Corporate Debtors will devote the net proceeds, after payments due to Subway under the applicable franchise agreement and any arrears due to the Landlords, to Holders of Allowed Class 1 Claims. The Individual Debtor will retain his interest in the Elmsford Main Street Subway.

As discussed below, the Debtor estimates that the net proceeds of the sale of the Corporate Debtors, after Subway is paid in full, will total at least $280,000.00.

The White Plains Subway

The White Plains Subway is located at 240 Mamaroneck Avenue, White Plains, NY. On October 23, 2014, this Court approved the sale of the White Plains Subway for the sum of $80,000.00. A copy of the Order is annexed hereto as Exhibit C. A sale is pending. The buyers are awaiting final approval of the transfer by Subway.

The Individual Debtor estimates that the net proceeds available after the sale will total at least $60,000.00.

The Elmsford 9A Subway

The Elmsford 9A Subway is located on Route 9A in Elmsford, New York. The Individual Debtor has been marketing the Elmsford 9A Subway for sale for several months and is hopeful that a formal contract will be entered into in the upcoming weeks. The Individual Debtor believes that the sale price will be $85,000.00. The Individual Debtor estimates that the net proceeds available after the sale will total at least $70,000.00.

The Hartsdale Subway

The Hartsdale Subway is located on Central Avenue, Hartsdale, NY. On July 2, 2015, this Court approved the sale of the White Plains Subway for the sum of $80,000.00. A copy of the Order is annexed hereto as Exhibit D. A sale is pending. The buyers have been approved by Subway and are awaiting a final closing date from Subway.

Wells Fargo holds a lien on equipment in the Premises. Such claim will be satisfied upon the sale.

The Individual Debtor estimates that the net proceeds available after the sale will total at least $60,000.00.

The North Broadway Subway

The North Broadway Subway is located on North Broadway in White Plains, New York. The Individual Debtor has been marketing the North Broadway Subway for sale for several months and is hopeful that a formal contract will be entered into in the upcoming weeks. The Individual Debtor believes that the sale price will be $85,000.00.

The Individual Debtor estimates that the net proceeds available after the sale will total at least $70,000.00.

The Croton Subway

The Croton Subway is located in Croton, NY. On July 2, 2015, this Court approved the sale of the Croton Subway for the sum of $30,000.00. A copy of the Order is annexed hereto as Exhibit E. A sale is pending. The buyers are awaiting final approval of the transfer by Subway.

The Debtor estimates that the net proceeds available after the sale will total at least $20,000.00.

Claims

The Individual Debtor's creditors include (i) secured obligation to Nationstar on the Home; (ii) secured obligations to Westbrook, Wells Fargo and Chase on various of the Apartments; (iii) cure amounts due to Subway and Landlords under the franchise agreements; (iv) secured tax obligations to the Internal Revenue Service (the "IRS"), New York State ("NYS"), and the State of Connecticut ("CT") in the aggregate amount of approximately $1,360,476.43; (v) priority claims held by the IRS, NYS and CT in the aggregate amount of approximately $313,813.33; and (vi) consumer debt in the amount of approximately $25,668.06. A schedule of Claims and the Claims Register are annexed hereto collectively as Exhibit F.

The last date by which proofs of claim for pre-Petition Date obligations of the Individual Debtor had to be filed was September 15, 2014. A total of sixteen (16) proofs of Claim were filed against the Individual Debtor, most of which comported substantially with the liquidated, non-contingent and/or undisputed Claims identified in the Individual Debtor's Schedules. A summary of the Claims and schedule of Claims is annexed hereto as Exhibit F. The claims against the Corporate Debtors largely are comprised of the "cure" amount due to Subway and various Landlords. In addition, the IRS and NYS asserted claims which are the same claims as asserted against the Individual Debtor, who is co-liable for the obligations.

The Individual Debtor and his attorney undertook an analysis of the filed Claims in an effort to reconcile same. Upon conclusion of the analysis, it was determined that the vast bulk of the Claims asserted had merit, and, thus were not subject to any objection by the Debtors.

Assets

The Liquidation value of the assets of the Individual Debtor and the Corporate Debtors is annexed hereto as Exhibit G. The Individual Debtor is liquidating most of his assets to fund the Plan. The Debtor will seek to retain the Home subject to the mortgage of Nationstar and the Elmsford Main Street Subway which will provide him with an income. Aside from the Home, which has substantial value in excess of $1 million, and the Elmsford Main Street Subway, the Individual Debtor's assets have virtually no liquidation value. Indeed, the total liquidation value of non-exempt assets is estimated to be less than $10,000.00.

Income and Expenses

The Individual Debtor will fund the Plan with the (i) net proceeds of the sale of the Apartments and the Corporate Debtors together with (ii) future income. A household budget (the "Budget") is annexed hereto as Exhibit H. The Individual Debtor has conducted an evaluation of his projected disposable future income to determine whether he can reasonably make a distribution to their creditors from future earnings while reserving therefrom enough money to meet his reasonable and ordinary living expenses. The Individual Debtor will fund the Chapter 11 Plan with payments aggregating $336,000.00, in monthly installments of $3,500.00 for eight (8) years. The Individual Debtor's disposable income from future earnings will be re-evaluated periodically following the Effective Date consistent with 11 U.S.C. §1123(a)(8). Distributions will be made by the Disbursing Agent. The Individual Debtor's counsel has agreed to act as the Disbursing Agent subject to Court approval. Alternatively, should it be necessary to retain an independent Disbursing Agent, the Debtors will seek the appointment of Jeffrey L. Sapir as Disbursing Agent and seek his compensation to be fixed at 10% of Disbursements.

As reflected in the Budget, the Individual Debtor's current monthly income totals approximately $14,000.00 and his total monthly household expenses total approximately $10,500.00 It should be noted that the Individual Debtor's income is fairly consistent on an annual basis but varies monthly with some months being more productive than others. The Individual Debtor anticipates that he will have sufficient income to cover his reasonable living expenses and permit funding of the Plan.

The Individual Debtor has endeavored to keep his expenses to a minimum and to spend his income in a responsible manner. The Individual Debtor has reduced his monthly expenses during the pendency of his Chapter 11 Case. The reduction was achieved through general cut backs. The

Individual Debtor is current with all post-Petition Date expenses except for amounts due to Nationstar with which he is engaging in efforts to achieve a loan modification.

IV. SUMMARY OF PLAN PROVISIONS

As hereinafter more fully discussed, the Plan proposed by the Individual Debtor and the Corporate Debtors provides for, among other things:

(a) the funding of the Plan by the Individual Debtor with (i) the net proceeds of the sale of the Apartments and the Corporate Debtors estimated to aggregate $1.2 million and (ii) $336,000.00 payable over eight years; and

(b) the payment in full of all Statutory Fees on the Effective Date of the Plan;

(c) the payment in full of all Allowed Administrative Claims by the Disbursing Agent;

(d) the payment in full of Nationstar's Secured Claim representing its mortgage pursuant to the terms set forth under the contract terms or any loan modification agreement;

(e) the payment in full of the Secured Claims of Westbrook, Wells Fargo and Chase upon the sales of the Apartments;

(f) payment of Subway and the Landlords and any other "cure" amounts upon the sale of the Corporate Debtors;

(g) payment of the Allowed Secured Claims of the IRS, NYS and CT in full with the net proceeds of the sales of the Apartments and the Corporate Debtors;

(h) payment of the Allowed Priority claims of the IRS, NYS and CT in quarterly installments over an eight year period;

(i) payment of Allowed General Unsecured Claims in quarterly installments following the payment of Allowed Priority Claims; and

(j) No interest post-Petition Date or post-Effective Date will accrue on any Claims except as to the Secured Claims of Nationstar, Wells Fargo, Chase and Westbrook which will accrue interest as provided for in the respective agreements between each creditor and the Individual Debtor.

The Effective Date shall be the first business day which is ten (10) days after the Confirmation Date.

Confirmation of the Plan.

The overall purpose of the Plan is to distribute the (i) net proceeds of the sale of the Apartments and Corporate Debtors; and (ii) a portion of the Individual Debtor's future earnings to Creditors with Allowed Claims. The Individual Debtor will pay all Holders of Secured Claims, Subway and the Landlords through the Plan in full with the proceeds of the sales except for Nationstar which holds the mortgage on the Home which will be paid outside of the Plan. The Individual Debtor will retain the Home and the Elmsford Main Street Subway. The Plan represents the culmination of the analyses conducted and efforts expended by the Individual Debtor, the Corporate Debtors and their attorney concerning the best means to maximize and allocate value to the Individual Debtor's unsecured creditors. The Individual Debtor has determined that the Plan provides the highest value to creditors and is consistent with any value that might otherwise be achievable in liquidation under chapter 7 of the Bankruptcy Code. Accordingly, the Individual Debtor and the Corporate Debtors recommend that the Plan be accepted by their creditors.

V. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS

Under the Plan, Claims against the Individual Debtor and Corporate Debtors are grouped into Classes according to their similarity with other Claims and their relative legal and contractual priorities. All Allowed Claims, other than Statutory Fees and Administrative Claims, are placed into Classes under the Plan. The Individual Debtor believes that this classification scheme is consistent with the requirements of the Bankruptcy Code. The following is a summary of the classification and treatment of Claims under the Plan.

1. Statutory Fees

The Individual Debtor and Corporate Debtors have a statutory duty to pay all outstanding amounts that may be due to the Office of the United States Trustee (the "U.S. Trustee") upon Confirmation of the Plan, together with any fees due pursuant to 28 U.S.C. §1930(a)(6) through the date of the entry of a Final Decree, conversion of the case or dismissal of the case.

The Individual Debtor and Corporate Debtors are current on all Statutory Fees as of the date hereof and do not believe that any Statutory Fees will be owed immediately prior to the Effective Date of the Plan. On the Effective Date, the Individual Debtor and Corporate Debtors will pay the U.S. Trustee any outstanding Statutory Fees.

All Statutory Fees that may come due after the Effective Date shall be paid when due by the Individual Debtor and Corporate Debtors until the entry of a Final Decree in this case, or until this case is converted or dismissed.

2. Administrative Claims

Administrative Claims are defined in the Plan as the costs and expenses of administration of the Individual Debtor's and the Corporate Debtors' Chapter 11 cases incurred on or after the Petition Date and (except as to post-Petition Date obligations incurred and paid by the Individual Debtor and Corporate Debtors in the ordinary course) allowed by final order under §503(b) of the Bankruptcy Code. These Claims include, without limitation, any actual and necessary expenses: (a) of preserving the estate of the Individual and Corporate Debtors; (b) any indebtedness or obligation incurred or assumed by the Individual Debtor and Corporate Debtors in connection with their day-to-day affairs or for the acquisition or lease of property or for the procurement of services; (c) any costs and expenses of the Individual Debtor and the Corporate Debtors for the management, maintenance, preservation, sale or other disposition of any assets; (d) the administration and implementation of the Plan; (e) the administration, prosecution or defense of Claims by or Claims against the Individual Debtor and the Corporate Debtors and for Distributions under the Plan; and (f) any allowances of compensation and reimbursement of expenses to the extent allowed by an order of the Bankruptcy Court, whether arising before or after the Effective Date of the Plan.

Allowed Administrative Claims are unclassified under the Plan and holders of Allowed Administrative Claims are not entitled to vote on the acceptance or rejection of the Plan. If there is no significant litigation initiated or objections filed with respect to Confirmation of the Plan, and the Plan is confirmed within the next thirty to ninety days, it is estimated that the Allowed Administrative Claims to paid on the Effective Date are comprised of the following:

Claimant	Amount	Comments
Penachio Malara, LLP	$50,000.00	Approximate Final Fees and Expenses to be Requested as Counsel to the Debtor
Genova & Malin	6,371.46	Amount approved by the Court
Total:	$56,371.46	

The actual amounts of the Allowed Administrative Claims may increase or decrease from the amounts listed above prior to the Effective Date. In accordance with certain mandatory provisions of the Bankruptcy Code, the Plan provides that holders of Allowed Administrative Claims will be entitled to full payment of their Claims: (a) in cash on the Effective Date or as soon thereafter as is practicable; or (b) on such terms as are mutually agreed to by the holder of an Allowed Administrative Claim and the Individual Debtor and the Corporate Debtors. Other than those listed above, there are no known potential Administrative Claims against the estate.

3. **Class 1 - Secured Claim of Nationstar Bank**

Class 1 consists of the Allowed Secured Claim of Nationstar Bank against the Individual Debtor. The Allowed Class 1 Claim will be paid pursuant to the contract terms of any loan modification agreement between the Individual Debtor and Nationstar.

Class 1 Claims are unimpaired under the Plan and not entitled to vote on the acceptance/rejection of the Plan.

4. **Class 2 - Secured Claims of Wells and Chase**

Class 2 consists of Allowed Secured Claims of (i) Wells Fargo in Apt. 2P (ii) Chase in Apt. 5C; (iii) Westbrook in Apt.3K, Apt. 2F and Apt. 2P; and (iv) US Bank in the Equipment. The Allowed Class 2 Claims will be satisfied in full upon the sale of the collateral that secures the Class 2 Claims.

Class 2 creditors are unimpaired and not entitled to vote in the Plan.

5. **Class 3 - Claims of Subway and the Landlords Cure Amount**

Class 3 consists of Allowed Claims of Subway and the Landlords of the White Plains Subway and the Broadway Subway.

Class 3 creditors are unimpaired and not entitled to vote in the Plan.

6. **Class 4- Secured Tax Claims**

Class 4 consists of Secured Tax Claims held by the IRS, NYS and CT in the aggregate amount of $1,360,476.43; The Individual Debtor will make payment in full to the holders of the Secured Tax Claims, through the Disbursing Agent. Class 4 creditors will receive payment in full on their Secured Tax Claims following the sales of the Apartments and the Corporate Debtors.

Class 4 creditors are unimpaired and not entitled to vote in the Plan.

7. Class 5 - Priority Tax Claims

Class 5 consists of all Allowed Priority Tax Claims against the Individual Debtor. Under the Plan, Allowed Priority Tax Claims include the priority portion of the Claims held by the IRS, NYS and CT. The Allowed Priority Tax Claims in Class 5 total approximately $313,813.33.

The Plan provides that the holders of Allowed Priority Tax Claims will receive a cash Distribution equal to their Claim in quarterly installments over a period of eight (8) years. Holders of Class 5 Claims will not receive a Distribution until the following are paid in full: (a) Administrative Claims; and (b) amounts owed to the Office of the United States Trustee. The Individual Debtor anticipates that holders of Class 5 Claims will begin to receive s distribution approximately four (4) months after the Effective Date.

Although they will ultimately receive distribution in full, Class 5 is impaired under the Plan and, as such, the holders of Class 5 Allowed Priority Tax Claims are entitled to vote on the acceptance/rejection of the Plan.

8. Class 6- Allowed General Unsecured Claims

Class 6 consists of all Allowed General Unsecured Claims against the Individual Debtor. Under the Plan, Allowed General Unsecured Claims include all Claims other than Statutory Fees, Administrative and Priority Claims and Secured Claims. The Allowed General Unsecured Claims in Class 6 total approximately $100,000.00. Creditors holding Class 6 Claims include consumer debt.

The Plan provides that the holders of Allowed Class 6 General Unsecured Claims will receive a cash Distribution equal to their claims over an extended period of time. Holders of Class 6 Claims will not receive a Distribution until the following are paid in full: (a) Administrative Claims; (b) amounts owed to the Office of the United States Trustee; and (c)

Claims in Classes 2-5. The Individual Debtor anticipates that holders of Class 6 Claims will not receive a distribution until approximately five (5) years after the Effective Date.

Class 6 is impaired under the Plan and, as such, the holders of Class 6 General Unsecured Claims are entitled to vote on the acceptance/rejection of the Plan.

VI. DISTRIBUTIONS UNDER AND IMPLEMENTATION OF THE PLAN

The Plan will be funded with (i) the net proceeds of the sales of the Apartments estimated to total $1,140,000.00 after secured claims and closing costs; (ii) the net proceeds of the sales of the Corporate Debtors estimated to total $280,000.00; and (iii) cash payments estimated to total $336,000.00 from the Individual Debtor's future income.

The Disbursing Agent will make payments quarterly or in more frequent installments in his discretion to creditors holding Allowed General Unsecured Claims.

All creditors will be paid in full under the Plan except that they will not receive post-Effective Date interest.

VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Under §365 of the Bankruptcy Code, a debtor has the right, subject to approval of the bankruptcy court, to assume or reject executory contracts and unexpired leases. Although not defined in the Bankruptcy Code, an "executory contract" is usually described as a contract under which material performance (other than the payment of money) is due by each party. If an executory contract or unexpired lease is rejected under §365 of the Bankruptcy Code, the "rejection" is treated as a breach of the contract or lease prior to the Petition Date giving rise to a pre-petition unsecured claim. In addition, "rejection" damages are limited in certain contexts under §502 of the Bankruptcy Code. If an executory contract or unexpired lease is assumed, the Individual Debtor and the Corporate Debtors have the obligation to cure any default and to perform its obligations thereunder in accordance with the terms of such agreement.

The Individual Debtor is a party to several leases for locations which are occupied by Subway Restaurants. The Individual Debtor has assumed the leases and will cure any arrears upon the sale of the businesses. On the Effective Date, all executory contracts and unexpired leases which have not been specifically assumed are deemed rejected and the other party is entitled to file any Claim arising as a result.

VIII. CAUSES OF ACTION

The Plan provides that any rights or Causes of Action accruing to the Estate of the Individual Debtor or Corporate Debtors including, without limitation, those arising under or pursuant to the Bankruptcy Code, shall remain assets of the Post-Confirmation Individual Debtor and the Post-Confirmation Corporate Debtors. The Post-Confirmation Individual Debtor and the Post-Confirmation Corporate Debtors may pursue, abandon, settle or release all reserved rights of action, as appropriate, in accordance with what is in the best interests, and for the benefit, of the Post-Confirmation Individual Debtor and the Post-Confirmation Corporate Debtors. In connection therewith, the Plan provides that any Distributions and the allowance of any Claim for the purpose of voting on the Plan is and shall be without prejudice to the rights of the Post-Confirmation Individual Debtor and the Post-Confirmation Corporate Debtors to pursue and prosecute any reserved rights and Cause of Action, including, without limitation, those arising under or pursuant to the Bankruptcy Code. After discussing the matter with counsel, the Post-Confirmation Individual Debtor and the Post-Confirmation Corporate Debtors do not believe that any fraudulent conveyances existed prior to the filing of the petition and further believe that all pre-petition payments were made in the ordinary course of business, thereby eliminating any potential recovery of preferential transfers. Moreover, the Post-Confirmation Individual Debtor and the Post-Confirmation Corporate Debtors do not believe that any other Causes of Action exist.

IX. LEGAL EFFECTS OF CONFIRMATION OF THE PLAN

1. Binding Effect

Pursuant to § 1141(a) of the Bankruptcy Code, once confirmed, the provisions of the Plan shall be binding upon the Individual Debtor, the Corporate Debtors, all Claimants and other parties in interest, regardless of whether they cast a Ballot to accept or reject the Plan.

2. Discharge

Pursuant to §1141(d)(5) of the Bankruptcy Code, upon the completion of all Disbursements and payments required under the Plan, the Bankruptcy Court will enter a discharge of the Individual Debtor and the Corporate Debtors from their debts that arose before the Confirmation Date. As such, the rights afforded in the Plan and the treatment of all Claims therein shall be in exchange for and in complete satisfaction and release of all Claims of any nature whatsoever (including any interest accrued on such Claims), from and after the Petition Date against the Individual Debtor, the Corporate Debtors and their Estates, except as otherwise expressly provided in the Plan, in §1141 of the Bankruptcy Code, or in the Confirmation Order.

3. Limitation of Liability in Connection with the Plan

In accordance with § 1125(e) of the Bankruptcy Code, the Plan provides that neither the Individual Debtor, the Corporate Debtors, nor their counsel or agents, including the Disbursing Agent shall have incurred or shall incur any liability to any holder of a Claim or any other Person for any act or omission in connection with, or arising out of, this Disclosure Statement, the pursuit of approval of this Disclosure Statement, the pursuit of Confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for willful misconduct or gross negligence misconduct.

4. Injunction

The Individual Debtor will be seeking an injunction protecting the Individual Debtor, the Post-Confirmation Individual Debtor, his Estate and his assets, except as expressly provided in the Plan, until the entry of an order by the Court granting the Individual Debtor a discharge upon performance of all his duties and obligations under the Plan. The injunction will be sought because, under the Bankruptcy Code [11 U.S.C. §1141(d)(5)], where, as here, the debtor in a Chapter 11 case is an individual, confirmation of the plan does not discharge any debt provided for in the plan until the Court grants a discharge upon completion of all payments under a plan. Therefore, at the Confirmation hearing the Individual Debtor will request the Court to enter a Confirmation Order providing that, as of the Confirmation Date, as to every holder of debt or Claims against the Individual Debtor the holder of such debt or Claim shall be enjoined from interfering with the Individual Debtor's ability to carry out the terms of the Plan. The order will further provide that in the event of a default by the Individual Debtor under the Plan a creditor may make an appropriate application to the Court seeking relief from the injunction.

X. RETENTION OF JURISDICTION

The Bankruptcy Court shall retain jurisdiction over this case under the provisions of the Bankruptcy Code, including, without limitation, §1142(b) thereof and the Bankruptcy Rules, to ensure that the intent and the purpose of the Plan is carried out and given effect. Without limitation by reason of specification, the Bankruptcy Court shall retain jurisdiction for the following purposes:

(a) To consider any modification of the Plan pursuant to §1127 of the Bankruptcy Code and/or any other modification of the Plan after substantial consummation thereof;

(b) To hear and determine:

(i) all controversies, suits and disputes, if any, as may arise in connection with the interpretation, implementation, consummation or enforcement of the Plan;

(ii) all controversies, suits and disputes, if any, as may arise between or among the holders of any Class of Claim and the Individual Debtor and the Corporate Debtors including, without limitation, proceedings to determine the allowance, classification, amount, or priority of Claims;

(iii) all rights or causes of action which may exist on behalf of the estate, including actions commenced to recover preferential transfers, accounts receivable and other property of the estate;

(iv) applications for allowance of compensation and expense reimbursement of professionals for periods prior to the Effective Date;

(v) any and all applications, adversary proceedings and litigated matters;

(vi) to enter a final decree closing the Chapter 11 Cases; and

(vii) to the extent not expressly provided for above, any and all disputes arising under the Plan and proceedings in aid of the administration and/or consummation of the Plan.

XI. CONDITIONS TO CONFIRMATION, EFFECTIVE DATE AND CONSUMMATION OF THE PLAN

It is a condition to Confirmation of the Plan that (a) the Confirmation Order shall Approve in all respects all of the provisions, terms and conditions of the Plan, and (b) the Confirmation Order is satisfactory to the Individual Debtor and the Corporate Debtors in form and substance. The Plan shall not become effective unless and until each of the following conditions has been satisfied or waived:

(a) The Bankruptcy Court shall have entered the Confirmation Order; and

(b) The Confirmation Order shall have become a Final Order.

The Individual Debtor or the Corporate Debtors may at any time, without notice or authorization of the Bankruptcy Court, waive condition(s). The failure of the Individual Debtor or the Corporate Debtors to satisfy or waive such condition may be asserted by the Individual Debtor or the Corporate Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any actions taken by the Individual Debtor or the Corporate Debtors). The Individual Debtor or the Corporate Debtors preserve the right to assert that any appeal from the Confirmation Order shall be moot after substantial consummation of the Plan. In the event that the aforementioned conditions have not occurred or been waived on or before one-hundred-eighty (180) days after the Confirmation Date, the Confirmation Order may be vacated upon order of the Bankruptcy Court made on the request of the Debtor or any party in interest and an opportunity for parties in interest to be heard.

XII. IMPORTANCE OF OBTAINING PROFESSIONAL TAX ASSISTANCE

The tax consequences of the Plan may impact the decision of the holder of a Claim in determining whether to accept or reject the Plan. Moreover, the tax consequences will vary depending upon the individual circumstances of holder of a Claim.

The following discussion summarizes certain material U.S. federal income tax consequences of the Plan to the holders of Class 6 Allowed General Unsecured Claims. The summary is provided for informational purposes only and is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), the treasury regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This summary does not address all aspects of federal income taxation that may be relevant to a particular holder of a Claim in light of its particular facts and circumstances or to particular types of holders of Claims subject to special treatment under the Tax Code and also does not discuss any aspects of state, local, or foreign taxation. Additionally, a substantial amount of time may elapse between the Effective Date and the receipt of the final Distribution under the Plan. Events subsequent to the date of this Disclosure Statement, such as the enactment of additional tax legislation, court decisions or administrative changes, could affect the federal income tax consequences of the Plan and the transactions contemplated thereunder. No ruling will be sought from the Internal Revenue Service with respect to any of the tax aspects of the Plan and no opinion of counsel has heretofore been obtained by the Individual Debtor or the Corporate Debtors as proponents of the Plan with respect thereto. Accordingly, each holder of a Claim should consult his, her or its own tax advisor to determine what effect, if any, the treatment afforded its respective Claim under the Plan may have under federal, state and/or local tax laws, and the laws of any applicable foreign jurisdictions.

On the exchange of its Claim for cash and/or property, each holder of a Claim in Class 6 will recognize gain or loss measured by the difference between: (a) the aggregate fair market value of the cash and/or property received; and (b) such holder's tax basis in the Claim. To the extent that the cash and/or property received by a holder of a Claim is attributable to accrued interest on such Claim, the cash and/or property received will be deemed made in payment of such interest. Conversely, a holder of a Claim will recognize a deductible loss to the extent any accrued interest previously included in its gross income is not paid in full. The allocation for federal income tax purposes between principal and interest of amounts received in exchange for the discharge of a Claim at a discount is not clear. However, the Individual Debtor and the Corporate Debtors intend to treat any amount received by holders of Claims as first allocated to principal.

Where gain or loss is recognized by a holder in respect of its Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including but not limited to: (a) the nature or origin of the Claim; (b) the tax status of the holder; (c) whether the Claim constitutes a capital asset in the hands of the holder and how long it has been held; (d) whether the Claim was acquired at a market discount; and (e) whether and to what extent the holder had previously claimed a bad debt deduction with respect to the Claim. Any cash and/or property received by a holder of a Claim after the Effective Date may be subject to the imputed interest provisions of the Tax Code.

No statement in this Disclosure Statement should be construed as legal or tax advice. The Individual Debtor, the Corporate Debtors and their counsel and accountants do not assume any responsibility or liability for the tax consequences the holder of a Claim may incur as a result of the treatment afforded its Claim under the Plan. Again, all holders of Claim are urged to consult with their own tax advisor regarding the potential tax consequences of the Plan.

CIRCULAR 230 DISCLOSURE: This tax discussion was written to support the promotion or marketing of the Plan. To ensure compliance with requirements imposed by the Internal Revenue Service, we are informing you that this discussion was not intended or written to be used, and cannot be used, by any person for the purpose of avoiding tax-related penalties that may be imposed the taxpayer under the Tax Code. Taxpayers should seek advice based on their particular circumstances from an independent tax advisor.

XII. GENERAL INFORMATION REGARDING CONFIRMATION PROCEDURE AND VOTING

A. Plan Confirmation Process

1. Requirements.

The requirements for Confirmation of the Plan are set forth in detail in §1129 of the Bankruptcy Code. The following summarizes some of the more salient requirements for such Confirmation:

(a) Acceptance by Impaired Classes. As discussed in further detail below, except to the extent that the "cramdown" provision of §1129(b) of the Bankruptcy Code may be invoked, each Impaired Class of Claims must vote to accept the Plan. "Impaired" is defined in §1124 of the

Bankruptcy Code. A Claim is Impaired unless the Plan leaves unaltered the legal, equitable and/or contractual rights of the holder thereof. In order for the Plan to be accepted by an Impaired Class of Claims, a majority in number and two-thirds in dollar amount of the Claims actually voting in the Impaired Class of Claims must vote to accept the Plan, or the Plan must qualify for "cramdown" of any non-accepting Class pursuant to § 1129(b) of the Bankruptcy Code.

(b) Feasibility. The Bankruptcy Court is required to find that the Plan is likely to be implemented and that the parties required to perform or pay monies under the Plan are likely to be able to do so.

(c) "Best Interests" Test. The Bankruptcy Court must find that the Plan is in the "best interests" of Creditors. To satisfy this requirement, the Bankruptcy Court must determined that each holder of a Claim against the Debtors: (i) has accepted the Plan; or (ii) will receive or retain under the Plan money or other property which, as of the Effective Date, has a value not less than the amount which such holder would receive if the Individual Debtor's property were liquidated under chapter 7 of the Bankruptcy Code on that date. As set forth in the Liquidation Analysis attached as Exhibit G, the Individual Debtor believes that it is clear that there would be the same recovery by his creditors in a Chapter 7 case; as compared to the Distributions under the Plan, therefore, the Plan satisfies the "Best Interests" test. The amounts paid to Holders of Claims under the Plan is equal to the amount that they would receive in a liquidation.

(d) Disposable Income Test: §1129(a)(15). The Bankruptcy Court must find that in the event that the holder of an Allowed Secured Claim objects to the Plan, (i) the value of the property to be distributed under the Plan is not less than the amount of the claim or (ii) the value of the property to be distributed under the Plan is not less than the

Individual Debtor's disposable income as defined in §1325(b)(2) of the Bankruptcy Code to be received during the eight (8) year period beginning on the date that the first payment is due. The Individual Debtor believes that this test also is satisfied.

2. Confirmation Hearing

To confirm the Plan, the Bankruptcy Court must hold a hearing under § 1128 of the Bankruptcy Code to determine whether the Plan meets the Requirements of § 1129(b) of the Bankruptcy Code (the "Confirmation Hearing"). The Confirmation Hearing will be held at the United States Bankruptcy Court for the Southern District of New York, before the Honorable Robert D. Drain, Charles L. Brieant Jr. Federal Building and Courthouse, 300 Quarropas Street, White Plains, New York 10601 on ______ ___, 2015 at 10:00 AM.

3. Objections to Confirmation

Any party in interest wishing to object to Confirmation of the Plan must state such objection in writing and appear at the Confirmation Hearing to pursue same. Any objection must be filed with the Clerk of the Bankruptcy Court, with a courtesy copy sent to the chambers of the Honorable Robert D. Drain and served upon the following parties so as to be actually received by November ___, 2015 at 5:00 PM: (i) Penachio Malara, LLP, 235 Main Street, Suite 610, White Plains, New York 10601; and (ii) Office of the United States Trustee, 201 Varick Street, New York, NY 10014.

B. Voting on the Plan

1. Who May Vote

Pursuant to § 1126 of the Bankruptcy Code, only the holders of Claims in Classes that are Impaired under the Plan may vote on the Plan. In this case, only creditors in Classes 5 and 6 may vote.

2. **Classes Under the Plan**

Classes 1-4 are unimpaired under the Plan. They are secured and will be paid in full. Nationstar (Class 1) will be paid pursuant to the terms of its agreement with the Individual Debtor or a loan modification, Creditors in Classes 2 and 3 will be paid at the closings of the sale of the collateral which secured their Allowed Claims. Class 4 will be paid in full from the proceeds of the sale of the Apartments and the Corporate Debtors. Classes 5 and 6 will be paid in full over an 8 year period in quarterly installments.

3. **Impairment of Claims**

Under the Plan, the Claims in Classes 1 - 4 are unimpaired in that they will be paid either (i) pursuant to the terms of any agreement with the Individual Debtor or the Corporate Debtors; or (ii) in full on the Effective Date. The Claims in Classes 5 and 6 are impaired in that they will not receive a full distribution of their claims on the Effective Date. Rather, they will be paid in full over time.

4. **Voting**

All holders of Claims who are not are entitled to vote and are deemed to have accepted the Plan. This Disclosure Statement is being distributed for informational purposes to all Creditors and parties in interest without regard to their right to vote on the Plan. If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for that purpose.

5. **Estimation of Claims for Voting Purposes**

Solely for the purposes of voting on the Plan, and for no other purpose, each holder of an Allowed Claim shall include on its Ballot the amount which such Claimant believes is due it from the Debtor. THIS AMOUNT SHALL NOT BE DEEMED IN ANY MANNER TO BE THE ALLOWED AMOUNT OF SUCH CLAIM. THE ALLOWED AMOUNT WILL ONLY BE DETERMINED AS PROVIDED IN THE PLAN. The amount set forth on the Ballot is solely for the purpose of voting upon the Plan and for the calculation of whether the Plan shall have been accepted in accordance with §1129(a) of the Bankruptcy Code.

If a Claimant holds more than one Claim in any one particular Class, all Claims of such holder in such particular Class shall be aggregated and deemed to be one Claim for purposes of determining the number and amount of Claims in such Class voting on the Plan.

6. Binding Effect

Whether a Claimant votes on the Plan or not, such person shall be bound by the terms of the Plan if the Plan shall be confirmed by the Bankruptcy Court. Unless a Ballot shall be completed and returned in accordance with the approved Bankruptcy Court procedures, a Claimant will not be included in the vote for purposes of accepting or rejecting the Plan or for purposes of determining the number of Persons voting on the Plan.

7. Voting Procedure and Deadlines

In order for your vote to accept or reject the Plan to be tabulated, you must complete, date, sign and properly mail the enclosed Ballot to counsel to the Individual Debtor and the Corporate Debtors at the following address: Penachio Malara, LLP, 235 Main Street, Suite 610, White Plains, New York 10601.

Pursuant to Bankruptcy Rule 3017, the Bankruptcy Court has ordered that signed, original Ballots for the acceptance or rejection of the Plan must be received by counsel to the Individual Debtor and the Corporate Debtors at the address set forth above on or before ______ __, 2015 at 5:00 p.m. You may transmit your vote by mail, facsimile transmission or e-mail. Once you have delivered or mailed your Ballot, you may not change your vote, except for cause shown to the Bankruptcy Court after notice and a hearing. Ballots or votes on the acceptance or rejection of the Plan cannot be transmitted orally.

Any Ballot received by counsel to the Individual Debtor and the Corporate Debtors that do not identify the Claimant, or is unsigned, or which does not indicate acceptance or rejection, or (unless Claimant's Claim is listed as undisputed, not contingent and fully liquidated in the Individual Debtor's or the Corporate Debtors' current schedules of liabilities) does not include the amount believed to be owed such Claimant, shall not be counted as a vote, either to accept or reject the Plan.

You are urged to complete, date, sign, and promptly mail the enclosed Ballot. Please be sure to complete the Ballot properly and legibly identify the amount of your Claim and the name of the Claimant.

XIIII. FEASABILITY OF THE PLAN

In order to confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court must find that Confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Individual Debtor and the Corproate Debtors unless contemplated by the Plan. As discussed above, the funds needed to make the Distributions required to be made under the Plan will be generated by future earnings.

For purposes of determining whether the Plan meet the "feasability" requirements of the Bankruptcy Code, the Individual Debtor and the Corporate Debtors and their professionals analyzed their future prospects, future income and future liabilities and incorporated their findings into the Budget attached hereto as Exhibit H. As reflected therein, the Individual Debtor and the Corporate Debtors believe that, after the restructuring of their debt obligations provided for under the Plan, the Individual Debtor and the Corporate Debtors will have the funds sufficient to make the future Distributions called for under the Plan while remaining current on his ordinary debts. Accordingly, the Individual Debtor and the Corporate Debtors believe that confirmation is not likely to be followed by the liquidation or further financial reorganization of the Individual

Debtor and the Corporate Debtors.

XV. BEST INTERESTS

Notwithstanding acceptance of the Plan by the requisite number of impaired Classes of Claims, the Bankruptcy Court must independently determine that the Plan provides each member of each impaired Class of Claims a recovery that has a value at least equal to the value of the Distribution that each such creditor would receive if the Individual Debtor were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

The Individual Debtor and the Corporate Debtors believe that the Plan is in the best interests of creditors because it provides for an orderly and expeditious Distribution of the Individual Debtor's assets, thus maximizing the recovery to creditors. Under the scenario presented under the Plan, holders of Allowed General Unsecured Claims will receive a Distribution of 100% of the Allowed Amounts of their Claims. In contrast, in the event of a liquidation of the Individual Debtor under chapter 7 of the Bankruptcy Code, it is likely that creditors would receive substantially less on account of their Allowed Claims because: (a) (b) the substantial additional expenses of administration, including a chapter 7 trustee's commissions and fees for such trustee's counsel, accountants, and other professionals likely to be retained, would be incurred with priority over Allowed General Unsecured Claims, diluting their recovery; and (b) any Distribution on Allowed General Unsecured Claims would likely be substantially delayed while expenses of administration of the estate would continue to grow. In order to illustrate this point, the Debtors and their professionals have prepared the Liquidation Analysis attached hereto as Exhibit G. Thus, the Individual Debtor respectfully submits that the Plan is in the best interests of creditors.

XVI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Individual Debtor has valuated alternatives to the Plan, including alternative Plan structures and terms; the adoption of a plan of liquidation; and the pursuit of various litigation strategies. While the Individual Debtor has concluded that the Plan is the best alternative and will maximize recoveries by holders of Allowed Claims, if the Plan is not confirmed, the Individual Debtor or any other party-in-interest could attempt to formulate and propose a different plan or plans of reorganization. Further, if no plan of reorganization can be confirmed, the Individual Debtor's Chapter 11 case may be dismissed or converted to a chapter 7 case. In a liquidation case under chapter 7, the proceeds of the liquidation would be distributed to the respective creditors of the Individual Debtor in accordance with the priorities established by the Bankruptcy Code and contractual priorities. However, the Individual Debtor believes holders of Allowed Claims would receive substantially the same amount under chapter 7 because of the administrative costs and commissions associated with a chapter 7 trustee (discussed above) and because of the liens, encumbrances and exemptions applicable to the Individual Debtor's assets. The Individual Debtor believes that he is in the best position to sell the Apartments and the Corporate Debtors and that under his supervision, he will maximize value more quickly than a trustee. Accordingly, the Debtors believe that Confirmation and consummation of the Plan is preferable to the alternatives described above.

XVII. RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, the Individual Debtor and the Corporate Debtors believe that the Confirmation and consummation of the Plan is the best means available to provide the greatest level of recovery to creditors in accordance with their legal and contractual rights. Consequently, the Debtor urges all holders of Allowed Claims in Classes 5 and 6 to vote to accept the Plan and to evidence their acceptance by duly completing and returning their Ballots so that they will be received on or before 5:00 p.m. on November __, 2015.

Dated: White Plains, New York
August 11, 2015

Respectfully submitted,

PENACHIO MALARA, LLP

/s/ Anne Penachio

Anne Penachio, Esq.
Counsel for Debtors
235 Main Street Suite 610
White Plains, NY 10601
(914) 946-2889